

STATE AND LOCAL TAXES

California is ranked at 24th and 10.3% putting them right at the national average of 10.2%. The state has had some of the lowest local property taxes in the United States since the passage of Proposition 13 in 1976.

Exhibit 10-2.-State & Local Taxes As Percent Of Income, 2002

Rank	State	Percent	Rank	State	Percent	Rank	State	Percent
1	Maine	12.8%	18	Kentucky	10.5%	34	Indiana	9.9%
2	New York	12.3%	19	West Virginia	10.5%	35	Pennsylvania	9.9%
3	Wisconsin	12.0%	20	Washington	10.5%	36	Wyoming	9.8%
4	Hawaii	11.6%	21	Kansas	10.4%	37	Maryland	9.7%
5	Minnesota	11.3%	22	Iowa	10.4%	38	Missouri	9.7%
6	Rhode Island	11.3%	23	New Jersey	10.3%	39	Massachusetts	9.5%
7	Arkansas	10.2%	24	California	10.3%	40	Virginia	9.4%
8	Utah	11.2%		U.S. Average	10.2%	41	Oregon	9.4%
9	Ohio	11.2%	25	Georgia	10.2%	42	Florida	9.3%
10	Vermont	11.0%	26	North Dakota	10.2%	43	Nevada	9.2%
11	Connecticut	10.9%	27	Delaware	10.2%	44	South Dakota	9.1%
12	New Mexico	10.9%	28	Arizona	10.1%	45	Colorado	9.1%
13	Nebraska	10.8%	29	North Carolina	10.1%	46	Alabama	9.1%
14	Michigan	10.7%	30	South Carolina	10.0%	47	Texas	9.0%
15	Mississippi	10.7%	31	Illinois	10.0%	48	New Hampshire	8.6%
16	Louisiana	10.5%	32	Montana	10.0%	49	Tennessee	8.4%
17	Idaho	10.5%	33	Oklahoma	9.9%	50	Alaska	6.3%

Source: Tax Foundation, 2002

California is ranked at 10th, putting them slightly higher than the national average.

Exhibit 10-3.-State and Local Taxes Per Capita, 2000

Rank	State	Per Capita	Rank	State	Per Capita	Rank	State	Per Capita
1	New York	\$4,905		U.S. Average	\$3,210	34	Arizona	2,564
2	Connecticut	4,829	18	Virginia	3,192	35	Idaho	2,535
3	New Jersey	4,319	19	Nevada	3,173	36	South Carolina	2,422
4	Massachusetts	3,953	20	Pennsylvania	3,149	37	Louisiana	2,412
5	Rhode Island	3,580	21	Michigan	3,036	38	Oklahoma	2,386
6	Wisconsin	3,567	22	Kansas	3,007	39	New Mexico	2,377
7	Maine	3,559	23	Iowa	2,983	40	North Dakota	2,364
8	Minnesota	3,557	24	Georgia	2,975	41	Kentucky	2,347
9	Hawaii	3,556	25	Colorado	2,943	42	West Virginia	2,326
10	California	3,523	26	Florida	2,931	43	Arkansas	2,295
11	Maryland	3,517	27	Utah	2,916	44	South Dakota	2,292
12	Washington	3,482	28	Indiana	2,875	45	Tennessee	2,288
13	Illinois	3,340	29	New Hampshire	2,863	46	Wyoming	2,268
14	Delaware	3,299	30	North Carolina	2,835	47	Alabama	2,229
15	Ohio	3,231	31	Missouri	2,727	48	Mississippi	2,175
16	Vermont	3,231	32	Oregon	2,672	49	Montana	2,132
17	Nebraska	3,218	33	Texas	2,643	50	Alaska	1,890

Source: Tax Foundation, 2001

Current California Tax Rates:

- The individual tax rate varies from 1% to 9.3% of taxable income (*Exhibit 10-4*).
- The corporate tax rate has fallen to 8.84%.
- Small, closely held Sub-chapter S companies pay income taxes of 1.5%.
- Employers pay 0.7%- 5.4% for unemployment insurance on up to \$7,000 in wages and 0.9% for workers disability insurance on wages up to \$46,237.
- There is a 0.1% tax on up to \$7,000 in wages for an employment training fund.
- The motor vehicle tax fell from 2.0% in 1998 to 0.65% in 2001.
- The state's gasoline tax is \$0.18 per gallon with the funds dedicated to transportation projects.

Exhibit 10-4.-California Tax Information, By Type of Tax, 2002

Type of Tax	Basis For Tax	Rate	Administering Agency
Personal Income Tax (<i>married, joint, top rate</i>)	Taxable Income	9.3% @ \$76,582	Franchise Tax Board
Corporate Income Tax	Net Income	8.84%	Franchise Tax Board
Sub-Chapter S Corporation	Net Income	1.50%	Franchise Tax Board
Local Property Tax (avg.)	Assessed Valuation	1.25%	County & City Government
Sales & Use Tax (county rates)	Sales or Lease Receipts	7.25% to 8.25%	Board of Equalization
Unemployment Insurance Tax (avg.)	Wages (<i>limit \$7,000</i>)	0.7%-5.4%	Employment Development Dept.
Employment Training Tax	Wages (<i>limit \$7,000</i>)	0.1%	Employment Development Dept.
Disability Insurance (avg.)	Wages (<i>limit \$46,237</i>)	0.9%	Employment Development Dept.
Workers Compensation Insurance	Payroll & Occupation	Differ By Class	Dept. of Industrial Relations
Motor Vehicle Tax	Market Value	0.65%	Dept. of Motor Vehicles
Gasoline Tax	Gallon	\$0.18	Board of Equalization

Source: State of California Agencies

Sales Tax. At 7.75%, Riverside is lower than Los Angeles at 8.25%. (*Exhibit 10-5*)

Exhibit 10-5 - Sales Tax Rates Southern California Counties, 2002

County	Rate
Imperial	7.75%
Kern	7.25%
Los Angeles	8.25%
Orange	7.75%
Riverside	7.75%
San Bernardino	7.75%
San Diego	7.75%
Santa Barbara	7.75%
Ventura	7.25%

Source: CA Board of Equalization